51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Heliostar Metals Limited. (the "**Company**")
1090 West Georgia Street, Suite 700
Vancouver, British Columbia V6E 3V7

Item 2 Date of Material Change

May 4, 2021

Item 3 News Release

The news release was disseminated on May 5, 2021 through Newsfile.

Item 4 Summary of Material Change

The Company announced that, further to its news releases dated April 8, 2021 and April 14, 2021, the Company has closed a marketed private placement offering (the "**Offering**") of 5,348,616 units (the "**Units**") at a price of $1.05 per Unit for gross proceeds of $5,616,047.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that, further to its news releases dated April 8, 2021 and April 14, 2021, the Company has closed the Offering. As previously announced, the Offering was made pursuant to an agreement with Canaccord Genuity Corp., as lead agent, on behalf of a syndicate of agents including Sprott Capital Partners LP., Haywood Securities Inc., and Agentis Capital (collectively, the "**Agents**").

Each Unit consists of one common share in the capital of the Company (each a "**Common Share**") and one half of one common share purchase warrant (each whole warrant a "**Warrant**"). Each Warrant is exercisable for one Common Share at an exercise price of $1.70 for a period of 12 months following the closing date of the Offering (the "**Closing Date**").

The Warrants may be accelerated by the Company, at its sole option, at any time after the Closing Date provided that the closing price of the common shares of the Company on the TSX Venture Exchange exceeds $2.00 for a period of 15 consecutive trading days at any time after the date that is four months and one day following closing, by giving notice to the holders thereof and, in such case, the Warrants will expire at 4:00pm (Toronto time) on the earlier of: (i) the 30th day after the date on which such notice is given by the Company in accordance with the terms of the Warrants, and (ii) the date that is 12 months following the Closing Date.

The Company has paid, to the Agents and one exempt market dealer, an aggregate cash commission equal to six percent (reduced to three percent for certain subscribers on the Company's President's List) of the gross proceeds from the Offering and issued an aggregate of 310,921 non-transferable broker warrants ("**Broker Warrants**"), being equal to six percent (reduced to three percent for certain subscribers on the Company's President's List) of the number of Units sold in the Offering. Each Broker Warrant entitles the holder to purchase one Common Share at an exercise price of $1.05 until expiry on the day that is 12 months following the Closing Date.

The Company intends to use the net proceeds from the Offering to advance the Company's Alaskan and Mexican projects, as well as for working capital and general corporate purposes.

All of the securities issued in the Offering are subject to a four month and one-day restricted resale period expiring September 5, 2021 in accordance with the policies of the TSX Venture Exchange and securities laws applicable in Canada. In addition, securities issued in the Offering to U.S. purchasers are subject to resale restrictions imposed by federal and state securities laws applicable in the United States.

<u>Disclosure Required by MI 61-101</u>

Pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Offering constitutes a "related party transaction" as related parties of the Company participated in the Offering.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

The Company entered into a subscription agreement with Heliosphere Management Limited ("**Heliosphere**"), a company wholly owned by Charles Funk, the Chief Executive Officer and a director of the Company, whereby Heliosphere agreed to purchase 38,000 Units of the Company at a price of $1.05 per Unit for proceeds of $39,900.

The Company entered into a subscription agreement with Sam Anderson, the Vice President of Exploration of the Company, whereby Mr. Anderson agreed to purchase 44,700 Units of the Company at a price of $1.05 per Unit for proceeds of $46,935.

See item 5 and the attached news release for a description of the Offering.

(b) the purpose and business reasons for the transaction:

The Company intends to use the net proceeds from the Offering to advance the Company's Alaskan and Mexican projects, as well as for working capital and general corporate purposes.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

See item (b).

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

See item (a).

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The following table sets out the effect of the Offering on the percentage of securities of the Company beneficially owned or controlled by Mr. Funk and Mr. Anderson:

Name and Position	Dollar Amount of Shares Purchased	Number of Securities Purchased	No. of Shares Held prior to Closing of the Offering	Percentage of Issued and Outstanding Shares prior to Closing of the Offering	No. of Shares Held After Closing of the Offering	Percentage of Issued and Outstanding Shares After Closing of the Offering
Charles Funk *Chief Executive Officer & Director*	$39,900	38,000 Units	Undiluted: 1,460,666[(1)] Diluted: 1,793,999[(2)]	Undiluted: 4.59%[(3)] Diluted: 5.58%[(4)]	Undiluted: 1,498,666[(5)] Diluted: 1,850,999[(6)]	Undiluted: 4.03%[(7)] Diluted: 4.94%
Sam Anderson *VP of Exploration*	$46,935	44,700 Units	Undiluted: 53,433[(9)] Diluted: 221,100[(10)]	Undiluted: 0.17%[(3)] Diluted: 0.69%[(11)]	Undiluted: 98,133[(12)] Diluted: 243,450[(13)]	Undiluted: 0.26%[(7)] Diluted: 0.65%[(14)]

[(1)] Comprised of: (i) 1,400,000 shares held directly, and (ii) 60,666 shares held indirectly through Heliosphere.

[(2)] Comprised of: (i) 1,400,000 shares held directly, (ii) 60,666 shares held indirectly through Heliosphere, and (iii) 333,333 stock options (each, an "**Option**") each of which is exercisable into one Share, exercisable at a price of $1.725 per Share until September 4, 2025.

[(3)] Based on 31,805,319 Shares outstanding prior to the completion of the Offering.

[(4)] Based on 32,138,652 Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 31,805,319 outstanding prior to the completion of the Offering, (ii) 333,333 Shares that may be issued on exercise of stock options held directly.

[(5)] Comprised of: (i) 1,400,000 shares held directly, and (ii) 98,666 shares held indirectly through Heliosphere.

[(6)] Comprised of: (i) 1,400,000 shares held directly, (ii) 98,666 shares held indirectly through Heliosphere, (iii) 333,333 Options each of which is exercisable into one Share, exercisable at a price of $1.725 per Share until September 4, 2025, and (iii) 19,000 share purchase warrants (each, a "**Warrant**") each of which is exercisable into on Share, at an exercisable price of $1.70 per Share until May 4, 2022.

[(7)] Based on 37,153,935 Shares outstanding following the completion of the Offering.

[(8)] Based on 37,506,268 Shares outstanding on a partially diluted-bases following the completion of the Offering, comprised of: (i) 37,153,935 Shares outstanding following the completion of the Offering, (ii) 333,333 Shares that may be issuable on exercise of stock options held directly, and (iii) 19,000 Shares that may be issuable on exercise of warrants held directly.

[(9)] Comprised of 53,433 shares held directly.

[(10)] Comprised of: (i) 53,433 shares held directly, (iii) 166,667 Options each of which is exercisable into one Share, exercisable at a price of $1.725 per Share until September 4, 2025.

[(11)] Based on 31,971,986 Shares outstanding on a partially-diluted basis prior to the completion of the Offering, comprised of: (i) 31,805,319 outstanding prior to the completion of the Offering, (ii) 166,667 Shares that may be issued on exercise of stock options held directly.

[(12)] Comprised of 98,133 held directly.

[(13)] Comprised of: (i) 98,133 shares held directly, (iii) 166,667 Options each of which is exercisable into one Share, exercisable at a price of $1.725 per Share until September 4, 2025, and (iii) 22,350 Warrants each of which is exercisable into on Share, at an exercisable price of $1.70 per Share until May 4, 2022.

[(14)] Based on 37,342,952 Shares outstanding on a partially diluted-bases following the completion of the Offering, comprised of: (i) 37,153,935 Shares outstanding following the completion of the Offering, (ii) 166,667 Shares that may be issuable on exercise of stock options held directly, and (iii) 22,350 Shares that may be issuable on exercise of warrants held directly.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee.

A resolution of the board of directors was passed unanimously on April 29, 2021, approving the Offering. Charles Funk abstained from voting in part, on the resolution approving the Offering as it related to Heliosphere's subscription. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

See item (a).

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The Offering is exempt: (i) from the formal valuation requirement of MI 61-101 pursuant to the exemption contained in section 5.5(b) of MI 61-101 as none of the Company's securities are listed on any of the markets specified in section 5.5(b) of MI 61-101, and (ii) from the shareholder approval requirement of MI 61-101 pursuant to the exemption contained in section 5.7(1)(a) of MI 61-101 because the fair market value of the Offering insofar as it involves interested parties does not exceed 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, such shorter period is reasonable and necessary in the circumstances because the Company wished to complete the Offering in a timely manner and the Company was not aware of the details of insider participation until just before the Closing Date.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

None.

Item 8 Executive Officer

Contact: Charles Funk, Chief Executive Officer
Email: charles.funk@heliostarmetals.com

Item 9 Date of Report

May 11, 2021

TSX.V: HSTR
OTCQX: HSTXF

Heliostar Announces Closing of $5.6M Brokered Private Placement

Vancouver, Canada, May 5th, 2021 – Heliostar Metals Limited (TSX.V: HSTR, OTCQX: HSTXF, FRA: RGG1) (**"Heliostar"** or the **"Company"**) is pleased to announce that, further to its news releases dated April 8, 2021 and April 14, 2021, it has closed its marketed private placement offering of 5,348,616 units (the "**Units**") at a price of $1.05 per Unit for gross proceeds of $5,616,047 (the **"Offering"**). As previously announced, the Offering was made pursuant to an agreement with Canaccord Genuity Corp., as lead agent, on behalf of a syndicate of agents including Sprott Capital Partners LP. Haywood Securities Inc. and Agentis Capital (collectively, the **"Agents"**).

Each Unit consists of one common share in the capital of the Company (each a **"Common Share"**) and one half of one common share purchase warrant (each whole warrant a **"Warrant"**). Each Warrant is exercisable for one Common Share at an exercise price of $1.70 for a period of 12 months following the Closing Date.

The Warrants may be accelerated by the Company, at its sole option, at any time after the closing date of the Offering provided that the closing price of the common shares of the Company on the TSX Venture Exchange exceeds $2.00 for a period of 15 consecutive trading days at any time after the date that is four months and one day following closing, by giving notice to the holders thereof and, in such case, the Warrants will expire at 4:00pm (Toronto time) on the earlier of: (i) the 30th day after the date on which such notice is given by the Company in accordance with the terms of the Warrants, and (ii) the date that is 12 months following the Closing Date.

The Company has paid, to the Agents and one exempt market dealer, an aggregate cash commission equal to six percent (reduced to three percent for certain subscribers on the Company's President's List) of the gross proceeds from the Offering and issued an aggregate of 310,921 non-transferable broker warrants (**"Broker Warrants"**), being equal to six percent (reduced to three percent for certain subscribers on the Company's President's List) of the number of Units sold in the Offering. Each Broker Warrant entitles the holder to purchase one Common Share at an exercise price of $1.05 until expiry on the day that is 12 months following the closing date.

All of the securities issued in the Offering are subject to a four month and one-day restricted resale period expiring September 5, 2021 in accordance with the policies of the TSX Venture Exchange and securities laws applicable in Canada. In addition, securities issued in the Offering to U.S. purchasers are subject to resale restrictions imposed by federal and state securities laws applicable in the United States.

The Company intends to use the net proceeds from the Offering to advance the Company's Alaskan and Mexican projects, as well as for working capital and general corporate purposes.

The Offering included participation from Charles Funk and Sam Anderson, the Company's CEO and Vice President of Exploration, respectively. Accordingly, the Offering constitutes a "related party transaction" as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), which requires that the Company, in the absence of exemptions, obtain a formal valuation for, and minority shareholder approval of, the related party transaction. However, such Related Party Transaction is exempt: (i) from the formal valuation requirement of MI 61-101 pursuant to the exemption contained in section 5.5(b) of MI 61-101 as none of the Issuer's securities are listed on any of the markets specified in section 5.5(b) of MI 61-101, and (ii) from the shareholder approval requirement of MI 61-101 pursuant to the exemption contained in section 5.7(1)(a) of MI 61-101 because the fair market value of the Private Placement insofar as it involves interested parties does not exceed 25% of the Issuer's market capitalization at the time the Related Party Transaction was agreed to.

The securities offered have not been, and will not be, registered under the United States *Securities Act of 1933*, as amended, or any state securities laws, and may not be offered, sold or delivered, directly or indirectly, in the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, unless an exemption from registration is available. This news release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction.

About Heliostar Metals Ltd.

Heliostar is a junior exploration and development company with a portfolio of high-grade gold projects in Alaska and Mexico. The company's flagship asset is the 100% controlled Unga Gold Project on Unga and Popof Islands in Alaska. The project hosts an intermediate sulfidation epithermal gold deposit, located within the district-scale property that encompasses 240km^2 across the two islands. Additional targets on the property include porphyry, high sulphidation and intermediate sulphidation epithermal veins. On Unga Island, priority targets include: the SH-1 and Aquila, both on the Shumagin Trend, the former Apollo-Sitka mine, which was Alaska's first underground gold mine and the Zachary Bay porphyry gold-copper prospect. Gold mineralization at the Centennial Zone is located on neighbouring Popof Island within four kilometres of infrastructure and services at Sand Point.

In Mexico, the company owns 100% of three early stage epithermal projects in Sonora that are highly prospective for gold and silver. Cumaro forms part of the El Picacho district, while the Oso Negro and La Lola projects are also prospective for epithermal gold-silver mineralization.

For additional information please contact:

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Forward-Looking Information. This release includes certain statements that may be deemed "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "would", "may", "could" or "should" occur. Forward-looking statements in this press release include Heliostar's planned use of proceeds. Although Heliostar believes that the expectations expressed in such forward-looking *statements are based on reasonable assumptions, such statements are not a guarantee of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, weather, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.*